

MDFA OI Request for Proposals for Commercial Insurance Brokerage Services
MDFA OI RFP RFX Number: 3120002671
Amendment One
Issue Date: August 15, 2023

The Mississippi Department of Finance and Administration (MDFA) Office of Insurance (OI) through this Amendment One, modifies the original MDFA OI RFP RFX 3120002671 issued on July 27, 2023.

1. The **attached Questions and Answers document** is incorporated fully along with this Amendment One as part of MDFA OI RFP RFX 3120002671.
2. The **second sentence of RFP Section 7.2.18** is revised as follows: "...The insurance procurement process must begin no later than December 1st of each contract year to ensure that coverage is bound ~~before~~by April ~~15th~~29th of each contract year. The specific tasks of insurance procurement include the following: ..."

Please acknowledge receipt of MDFA OI RFP RFX 3120002671 Amendment One by signing and returning this amendment, along with your proposal, **on or before 2:00 PM CST, August 29, 2023**. This acknowledgment should be enclosed in your proposal packet in accordance with the submission instructions located in the RFP. **Failure to submit this acknowledgment may result in rejection of the proposal.**

Company Name: _____

Printed Name of Representative: _____

Date: _____

Signature: _____

RFP RfX # 3120002671
RFP for Commercial Insurance Brokerage Services
Procurement Questions and Answers

	Procurement Section, Page Number	Date Received	Question (As submitted)	Response
1.	Section 1, Page 4	8/4/2023, 2:16 PM	Is it possible for OI to provide the Statement of Values for the most recently bound program in excel format? The information on the website is in PDF and appears to be related to 22-23 term	The Statement of Values for the Property and for NFIP Flood Insurance on the website in PDF format is current for the 2023-2024 policy program. These documents are available via link in the requested Excel format.
2.	Section 1, Page 4	8/4/2023, 2:16 PM	Will OI Provide full losses including those under the \$1m retention in excel?	Available via this link in the requested Excel format.
3.	Section 1, Page 4	8/4/2023, 2:16 PM	Please confirm the policy form for the April 2023-34 term is as the expiring located on the website.	The policy form (Mississippi Property Coverage Document) has been updated on the website.
4.	Section 1, Page 4	8/4/2023, 2:16 PM	We were unable to locate the retail broker commissions on the States transparency site. Will OI provide that information?	Commissions will not be disclosed nor are they contained within the transparency website.

5.	Section 8, Page 25	8/4/2023, 2:16 PM	Will OI clarify its intent related to the cap for intermediary revenue? Section 8 Paragraph 2 states: "The fee proposed by the broker shall take into account all costs to provide the base brokerage services identified in this RFP, including any fees charged by intermediaries (e.g., wholesale brokers) and/or commissions received or to be received by intermediaries for the placement of insurance coverage(s). Any fees and/or commissions, taken by the broker and/or any intermediaries in the placement of insurance coverage(s) must be disclosed to MDFA OI and will be netted against the broker's proposed fee." Are both domestic and foreign intermediaries/wholesaler commission to be netted against the proposed fee? If just domestic commission, how will compensation be evaluated when certain firms own foreign intermediaries and deliberately propose a lower retail fee and share in the foreign wholesale commission?	For foreign wholesale/intermediary broker placements, commissions are limited to a maximum of 6%. For domestic broker placements, commissions are to be refunded to OI. Refer to RFP Section 7.2.14 and RFP Section 8, Fee Schedule.
6.	Section 8, Page 25	8/4/2023, 2:16 PM	Are both domestic and foreign intermediary/wholesaler commission limited to 6% or just foreign intermediaries. If just foreign, are domestic intermediaries to be compensated within the broker fee?	Refer to response to Question 5 above.
7.	Section 1, Page 4	8/4/2023, 2:16 PM	Will OI provide a detailed policy schedule for all other coverages subject to this RFP (Cyber, Fine Arts, Boiler & Machinery, Broadcaster Mobile Equipment, Structure of the Capital related properties coverage and any other policies)?	Available via this link in the requested Excel format.

8.	Section 1.1, Page 3	8/10/2023, 9:32 AM	Page 3 of the RFP refers to “manage placement of the property reinsurance program.” Currently the placement does not appear to include standalone reinsurance. Is it Mississippi’s intent to move to a reinsurance program?	Currently the State does not purchase standalone reinsurance and does not foresee the opportunity to do so. However, the State will entertain any Broker recommendation for more effective and efficient insurance program solutions.
9.	Section 2.2.12, Page 7	8/10/2023, 9:32 AM	Section 2.2.12 requires reviewing casualty exposures. Can you please provide more detail concerning this request? For example, are you referring to the state’s exposures concerning auto liability, general liability, professional liability, workers’ compensation, etc.? And can you please identify the report information you hope to receive as part of this review?	<p>The inclusion of the word “casualty” within RFP Section 2.2.12 was in error and is therefore, revised as follows: “Provide risk management and professional services, as requested by OI, including, but not limited to, identifying and minimizing loss potential, conducting and/or reviewing property inspections, reviewing casualty exposures, researching alternative risk transfer techniques, attending meetings with State agencies, markets or other consultants;”</p> <p>Coverages pertinent to this RFP are identified in the last sentence of paragraph three of RFP Section 1.1.</p>
10.	Section 2.2.15, Page 7; Section 1.1, Page 4	8/10/2023, 9:32 AM	Section 1.1 Page 4 of 43 and page 7 of 43 (2.2.15) requests carrier’s current A.M. Best Ratings of not less than A- VII. However, 2.2.15 also shows a required rating of A- XII or better. “A.M. Best Company’s rating of “A-” or better (Class “VII” or higher financial size category). If during the term of the policy, a carrier’s rating falls below “A-” Class “XII”, the insurance must be replaced no later than the renewal date of the policy with an insurer rated at least “A-” “XII” in the most recently published Best’s Insurance Report.” Please confirm the required rating.	“XII” is a typo with “VII” being the correct minimal rating.

11.	Section 2.2.31, Page 9	8/10/2023, 9:32 AM	Section 2.2.31 requires quarterly loss runs. Please confirm if this is referring to carrier loss runs only. However, if the request includes ground up loss information and TPA loss runs, please confirm the broker will be given access to those vendors/records.	RFP Section 2.2.31 is referring solely to carrier loss runs.
12.	Draft Contract, Page 54	8/10/2023, 9:32 AM	The document requires that the State be named Additional Insured on the broker's professional liability policy. This request is highly unusual due to the nature of professional policies. For example in the event of a loss to our client (the State), the carrier pays the loss direct to you, the client. Please confirm if this request will stand as written.	The State or MDFA may be named as Certificate Holder in lieu of Additional Insured.
13.	Section 3.10, Page 13	8/10/2023, 9:32 AM	Section 3.10 requires third party liability coverage as part of employee dishonesty or fidelity bond. The vast majority of such placements are first party only, requiring "direct loss." Would the state consider another method to address this component of the RFP?	No. Vendors must meet (or exceed) the bond/insurance requirements as set forth in the solicitation. Once these are set, they cannot be waived. <i>Public Procurement Review Board Office of Personal Services Contract Review Rules and Regulations</i> Section 3.102.05 states "Bid and performance bonds or other security may be required for service contracts as the Agency Head deems advisable to protect the interest of the State. Any such requirements must be set forth in the solicitation. ... If the requirement for a bid or performance bond or other security is included in the procurement, it cannot be waived."
14.	Section 8, Page 25	8/10/2023, 9:32 AM	Concerning refunding of commission, the Federal NFIP program does not allow commission to be refunded. Is it the State's intent that NFIP commission be netted against brokerage fee?	No, NFIP commission will not be netted against the broker fee.

15.	Section 8, Page 25	8/10/2023, 9:32 AM	Please confirm the following cyber liability details for clarify purposes: A) Cyber liability will be placed by the successful “property program” broker; B) The revenue details as per the RFP apply also to cyber liability; C) Any domestic wholesale revenue must be INCLUDED in the broker’s fee (or refunded to the state following the placement) and international revenue must be limited to a maximum of 6%.	Confirmed, all coverages contained within the fifth paragraph of RFP Section 1.1, including cyber liability, must adhere to RFP Section 8, Fee Schedule.
16.	Section 8, Page 25	8/10/2023, 9:32 AM	Please confirm: Any new lines of coverage placed will be done at no additional brokerage revenue and subject to the broker fee quoted in response to this RFP and the revenue provisions (such as international wholesale brokerage) as outlined in the RFP.	Confirmed, RFP Section 2.2.21 indicates other related coverages may be added at no additional cost.
17.	Section 8, Page 25	8/10/2023, 9:32 AM	Please confirm: All domestic wholesaler fees whether an owned subsidiary or the broker or a third party entity with no ownership by broker must be paid by either: payment by the retail broker to the wholesaler out of the brokerage fee quoted in the RFP or if billed as part of the premium, the wholesaler revenue is to be returned – by the retail broker – to the State following binding.	Vendor shall report domestic commissions biannually and must reduce the amount paid to the Broker from the stated flat annual fees.
18.	Section 8, Page 25	8/10/2023, 9:32 AM	Certain carriers may seek facultative reinsurance on their placement for the State. Such carriers will “pass on” that cost to the State as part of their quoted premium. Please confirm this type of transaction is not part of this RFP.	Confirmed. Facultative reinsurance placements have never been part of the State Property Program.

19.	Section 8, Page 25	8/10/2023, 9:32 AM	What audit provisions will the Sate put in place to assure that the successful broker does not push those markets usually placed domestically to the international wholesalers to maximize brokerage revenue?	The State has the ultimate rights and selection of all placements. Any excess cost for using foreign placements will be highly scrutinized.
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Question Submission Deadline: August 10, 2023, 5:00 PM CST

Response Issue Date: August 15, 2023